

Date Mailed
April 24, 1998

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Request by the Village of Germantown for Amendment of the Wisconsin
Bell, Inc. (d/b/a Ameritech Wisconsin) Long Distance Boundaries
Within the Village

6720-TV-117

**NOTICE OF INVESTIGATION, ASSESSMENT
OF COSTS, AND REQUEST FOR COMMENTS**

Comments Due:

Friday, May 22, 1998 – Noon

FAX Due Date:

Thursday, May 21, 1998 – Noon

Address Comments To:

Scot Cullen, Administrator

Telecommunications Division

Public Service Commission

P.O. Box 7854

Madison, WI 53707-7854

Fax No. (608) 266-3957

On November 26, 1996, the Commission received a petition from the village of Germantown, Washington County (village) requesting that “the boundaries for long distance service in the Village of Germantown, as established by Ameritech, be amended to include and coincide with the municipal boundaries of the community and be linked with the larger Metropolitan Milwaukee area.” The petition identifies two significant problem areas: different treatment of village residents with respect to calling to/from Milwaukee, and high rates for calls placed within the village. The village proposed creating a single exchange at Germantown and having that exchange included in the Milwaukee Metroplan service area.

Definitions

To clarify some issues and provide background to the service situation in the Germantown area, some definition of terms may be useful:

Exchange: A geographic area within which customers receive the same service. Exchange maps are filed as part of the tariff of each local telephone service provider. In many cases, customers within an exchange are connected to a common switching center, or central office. The distance between exchanges (e.g., for rating toll calls) is based on the rate centers of the respective exchanges. For exchanges with a single switching center, that is the location of the rate center.

Extended Area Service (EAS): Traditional local calling between exchanges. Ameritech prices this service like intraexchange calling at 2 cents to 6 cents per call based on the total number of intraexchange and EAS calls a customer makes each month.

Extended Community Calling (ECC): A local calling plan covering calls between exchanges in the same local access and transport area (LATA) that are not covered by EAS and which satisfy either condition: (1) the exchanges are adjacent (share a boundary) or (2) the rate centers of the exchanges are within fifteen miles of one another. ECC calls are priced at 5 cents per minute by most companies, including Ameritech.

Local Calling: Includes calling within the caller's exchange (intraexchange) as well as EAS and ECC.

Metroplan: This term describes thirteen Ameritech exchanges, including Milwaukee, all of which have EAS with the others. Other local calling, EAS and ECC, may be different for each of the exchanges. Customers in several exchanges outside Metroplan may subscribe to an optional one-way Metroplan service which allows them to call all thirteen Metroplan exchanges at local (EAS) rates. The monthly rate for this optional service ranges from \$12 to \$22.50 for residential service.

Background

Germantown is served by five Ameritech exchanges. These are shown below, with the extended area service (EAS) available at each exchange:

<u>Exchange</u>	<u>EAS</u>
Cedarburg	Milwaukee Metroplan
Thiensville	Milwaukee Metroplan
Menomonee Falls	Milwaukee Metroplan, Hubertus
Hubertus	Menomonee Falls, Jackson, Sussex, Merton, Slinger
Jackson	Hubertus, West Bend

Customers in Hubertus and Jackson may subscribe to one-way, optional Metroplan service at rates of \$20, residential; and \$52, business. Calls from Milwaukee to Hubertus and Jackson are intraLATA toll calls.

All calls within the village that are not covered by EAS are priced at 5 cents per minute under extended community calling (ECC). These include the following routes;

Jackson - Cedarburg	Hubertus - Cedarburg
Jackson - Thiensville	Hubertus - Thiensville
Jackson - Menomonee Falls	

Docket 6720-TV-117

Calls on these routes become local (EAS) calls for Hubertus and Jackson customers who subscribe to one-way Metroplan service.

The outline of the Metroplan service area appears to bulge to the north into Ozaukee County and west into Waukesha County while leaving a “gap” in the northwest sector (Washington County—see attached map). This may be explained by the transportation corridors along Interstate 43 to the north and Interstate 94 to the west accelerating development in those directions. The following table compares the distance of various exchange rate centers from the Milwaukee rate center for exchanges within and outside Metroplan:

<u>In Metroplan</u>	<u>Distance</u>	<u>Outside Metroplan</u>	<u>Distance</u>
Thiensville	13	Hubertus	20
Menomonee Falls	14	Jackson	23
Cedarburg	18	Port Washington	25
Merton	21	Oconomowoc	28
Hartland	21		
North Lake	23		

Having a village served by five different exchanges is uncommon; however, having a municipality served by more than one exchange is not unique to Germantown. Consequently, having customers in a municipality with different calling areas or with a need to pay (on other than an intraexchange or EAS basis) for calls in the same municipality happens to others frequently. Nonetheless, the village and its residents seek some service modifications to avoid these calling conditions. The Commission recognizes that the concerns are legitimate; however, it also notes that changes to calling arrangements are not without cost. Added facilities (to handle call volumes), loss of revenues, and impacts on competition are matters that must be recognized and addressed in any decision to modify calling areas.

As a means to address the needs and concerns at Germantown, the Commission will take comments on the overall issues and on some potential options to the arrangements now in place at Germantown. Some potential approaches for service in this area are shown below. (Note: the commentary on these approaches is in no way intended to reflect a determination on the viability of an option; the comments are intended to raise issues for further consideration and comment by interested parties.

Possible Approaches

(1) Add Hubertus and Jackson to the Metroplan service area. This would resolve both village issues: calling within the village, and differential treatment with respect to Milwaukee. It would create a smoother outline to the Metroplan service area in the northwestern sector. However, it would likely engender demands for like treatment from other areas, including Port Washington, Newburg, Oconomowoc, Delafield, and Waterford, to name a few.

(2) Create a new exchange at Germantown as proposed by the village. This would resolve both village issues and create a partial filling in of the Metroplan map. However, it is likely to be extremely expensive, it would likely increase the dissatisfaction of many Hubertus and Jackson exchange

customers outside the village, and it would not be a permanent solution. The expense comes, in part, from adding a switch to the network, but primarily the cost would be for reversing the routing of outside plant. Today, cable sizes increase as one moves away from the center of Germantown in the directions of the five serving switches. That would need to be reversed in order to serve the village with a centrally located switch.

Eventually the village might incorporate as a city. It might then annex portions of adjacent towns (witness Madison) which are served by the remnant Hubertus and Jackson exchanges, recreating the internal inequities that this solution was meant to address. In the meantime, customers in the remaining portions of the Hubertus and Jackson exchanges are likely to demand comparable treatment if their neighbors in Germantown were to be included in Metroplan.

(3) Establish new EAS routes. Possibilities would include:

- (a) the five routes listed above (intravillage); or
- (b) between the Milwaukee exchange and the Hubertus and Jackson exchanges.

Item (a) addresses the issue of calling within the village, while item (b) addresses the issue of equity among village residents for calling to and from Milwaukee. Under item (b), a modified Metroplan service might still be offered at a lower rate to Hubertus and Jackson customers who have a need to call other Metroplan exchanges.

Before ECC was adopted, the Commission addressed the issue of toll charges for calling within three incorporated villages and determined that intra-village calls should be charged at “local” rates.¹ At that time, the only local service for calling between exchanges was EAS. ECC is designated as local service and was adopted by the Commission as a means of satisfying the need for local (non-toll) calling between proximate communities. While there are clearly price differences between EAS and ECC, it is not clear that ECC is an unreasonable service for calling within Germantown.

(4) Allow competition to address the problem. Areas in which customers are dissatisfied would appear to be ripe for competitive offerings of alternative services. Cable TV or wireless providers appear to be potential competitors for the services at issue here. Several providers are certified to provide local service in the territory of Ameritech. The village may wish to contact potential competitors to determine their possible interest in serving the area. A lack of competitive offerings despite the open market may indicate that customers already have the best service anyone is willing to provide.

NOTICE IS HEREBY GIVEN that the Commission will investigate this matter in accordance with its authority under §§ 196.01, 196.02, 196.03, 196.196, 196.219, 196.26, 196.37, and other sections of ch. 196 as may be pertinent.

¹ Germantown is a much larger village—both geographically and in population—than the three earlier instances: Dane, Rock Springs, and Iron Ridge.

NOTICE IS FURTHER GIVEN that the Commission may deem it necessary in order to carry out its duties herein to investigate the books, accounts, practices, and activities of Ameritech Wisconsin. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from Ameritech Wisconsin in accordance with the provisions of § 196.85, Stats., and ch. PSC 5, Wis. Adm. Code.

NOTICE IS FURTHER GIVEN that the Commission seeks comments on the issue of telephone service in the village of Germantown, Washington County. Comments may address one or more of the alternatives discussed above or any other ideas for addressing the concerns of the village and the telephone customers residing there. Comments should also address the Commission's authority to act in the manner advocated and/or its authority to act on any of the above suggested solutions.

Comments are due at the Commission **by noon on Friday, May 22, 1998**. Parties submitting comments by fax must do so **by noon on Thursday, May 21, 1998**. An original and fifteen copies of the comments should be addressed as shown in the above and must refer to the docket number. Members of the general public need only file a single copy. Fax filing cover sheets must state "Official Filing," the docket number, and the number of pages (limit 20 pages). File by one mode only.

This is a Type III action under § PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under § 1.11 Stats., nor an environmental assessment is required.

Questions on this matter may be addressed to Tom Gross, of our staff, at (608) 267-2337, or Gary Evenson, of our staff, at (608) 266-6744.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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Attachment
cc: RM/Mail
Lynda Dorr, PSC